

*Washington Bank Statistics From Report
of Condition Jan. 7, 1911.*

| INDIVIDUAL DEPOSITS. | |
|------------------------------|--------------|
| Trust Companies..... | \$24,149,670 |
| Savings Banks..... | 11,665,241 |
| National Banks..... | 26,492,536 |
| Total..... | 62,307,447 |
| Total November 10, 1910..... | 58,872,509 |
| | 68,049,185 |
| Increase..... | \$24,111 |

NEW YORK, Jan. 29.—Stocks moved irregularly for the greater part of Wall Street's business week, showing a generally strong undertone throughout the interval, however, and recovering easily after every slight recession. The volume of business was not large, and dealings again were highly suggestive of professional activity, which was as clearly defined on the declines as on the recoveries. Aside from the better business reported in bonds there were very little orders of business suggesting general public interest, but, as pointed out last week, some institutions and some large operators have acquired stocks and are maintaining a firm position on the long side of the market.

Speculative sentiment in influential quarters is unquestionably better, but so far as one can determine the matter, this is due chiefly to the relaxing tendencies of money, which checks liquidation and facilitates investment operations. There seems to be a growing feeling that the railroads, and such of the corporations as are not too deeply involved in the outcome of the industrial trust decisions of the Supreme Court will be able to sell new securities or borrow all the funds necessary for their requirements, and this, it is argued, will apply a check to trade reaction and insure a fair volume of general business.

Improvement in Iron and Steel.

A matter which has contributed materially to the growing belief that industrial conditions are undergoing a change for the better, and that trade reaction is not likely to run very far, is the tendency noted in the basic or barometric industry. Says a recognized authority:

"It is now possible to discern definite signs of improvement in iron and steel, and, as a result of the larger buying of finished materials, sentiment in the trade has become increasingly optimistic. Conditions in the pig iron division, where freedom of action is still maintained, are far from satisfactory, with further price concessions reported, and the order in other lines are expanding and consumers show more disposition to cover future requirements."

"The advance of \$1 a ton in wire products was closely followed by the placing of the Important New York Central rail contract for 176,750 tons. Encouraging developments are noted in the structural department, where many deferred orders are coming to the fabricating mills, and the supporting companies are giving out bridge work with greater freedom. Tinplate operations are on a more active scale than for several months past, and the outlook in sheets is also materially improved."

Reawakening Industry.

In this plate, according to the trade authorities, the improvement is very remarkable. Up to two weeks or so ago, the leading producers were running at about 40 per cent of capacity on this product, but at present they are operating at fully 90 per cent of normal output. Naturally, some recovery in iron and steel products was looked for, and at this time, the steel mills and farmers are laying in their material, and, aside from that, as already pointed out in this column, steel has been scraping bottom with stocks worked down to a minimum, so that any chance whatsoever was likely to be in the nature of an upswing. But, of course, steel is a barometer of trade, and, in consequence, genuine improvement in the improvement is along the line of the fact that when studies trade conditions can doubt but that there is ample room for betterment. For instance, the bank clearings of last week, amounting in the whole country to \$2,570,145,577, reflect a loss of 20.5 per cent, as compared with the corresponding week a year ago, but most of this loss is credited to New York, where much of it is accounted for by the contraction in speculative undertakings. However, it is interesting to note that some improvement has been marked in other industries than iron and steel. The dry goods market, for instance, has exhibited a more encouraging aspect in various lines, despite the recently voted restriction of output by textile mills. And in our stocks, also as in iron and steel, the dry goods appear to be chiefly responsible for the betterment. Where overproduction is reported, as in copper, trade conditions still languish.

New York City Bonds.

The most important development of Wall Street's business week was the successful disposition on Tuesday of the \$60,000,000 New York City fifty-year 4 1/2 per cent bonds. The offering, which is the largest ever registered made by the city, was sold in its entirety at a premium with a government that a municipal offering, was covered by subscriptions aggregating \$32,933,000, or more than 54 times the face of the issue. In all, 571 bids were received by the Comptroller, and this seems a clear indication that there is plenty of money awaiting investment if the security is unquestionable, and the price attractive.

In some particulars, no doubt, the city bond sale fell short of Wall Street's expectations, and the reason from the failure of the large overproduction to stimulate stock market activity, than disappointment concerning the price. The latter was low, averaging 100.90 or an interest basis of 4.207 per cent, which contrasts with a price of 101.25 and an income basis of 4.135 per cent for the 4 1/2 per cent sold on March 21, 1910, which being a 20-50-year (optional) bond, is a less desirable issue than the straight fifty-year bond sold during the week. However, as Wall Street, still the public, has been made, and has expected a 4 1/2 per cent security, it is little reason to complain of the price realized by the 4 1/2 per cent issue.

City Bonds Sold Short.

Probably had the Morgan-City Bank syndicate bid high enough to secure the entire issue, instead of missing it by the narrowest possible margin, the result of the sale, marketwise, would have been different. For a powerful banking group would have been placed in control of the entire market for the bonds, and the issue would have been promptly marked up to 102 1/2 or 103, instead of hovering around 101 as at present. When the Morgan bid of 100.89 was announced shortly after 2 o'clock Tuesday, consternation seized upon many dealers who were heavily short of the "when issued" certificates, and they were advanced sharply on covering operations.

The mysterious listing of the city's 4 1/2 in advance of the sale is explained by the syndicate bid, and the uprush in the market following was not unexpected. It is believed that the syndicate had been successful in securing the issue. It is apparent that a group of bond brokers and dealers were engaged in some scheme to "bear" the issue, but whether for the purpose of scalping a trifling profit, or for the more sinister purpose of inducing the sale of subscription bonds at a higher interest rate for the un sold portion, does not appear clear. It is now toward which the subscription bonds were sold short in large quantities at 100 1/2, and as the city cannot sell bonds below par, the possible profit was so trifling that one wonders if another motive was not back of the operation.

Effects on Other Issues.

Whatever plan the syndicate had in connection with the city issue was, of course, spoiled by the distribution of the issues among many holders. This enabled the shorts to cover without difficulty, and to put out additional short lines if they felt so disposed, for there is no longer any fear on the part of an uncomfortable speculator. The maneuvering in the bonds, however, came to a sudden stop on Thursday. For instance, on Wednesday, total bond sales on the exchange represented a par value of \$6,832,000, the largest volume in very many months, and which no less than \$1,414,000 were in New York City 4 1/2's. On Thursday total sales fell to \$2,902,900, toward which total the city issue figured to an extent of only a few hundred thousand dollars par value.

Whether the low price of the city issue will have much effect on other issues, and thus prove a determining or influencing factor on impending new financing, is a point on which opinion is much divided. Naturally, it must have an influence on municipal issues, though some persons hold that in consequence of the city's plan of borrowing, the city bonds fall within a class of their own. Although bond sales on the exchange are back to the old figures, the transactions are not so lively, and speculative issues, such as convertible bonds, which move up and down like the stock they stand for, and, in consequence, neither the market nor price changes throw much light on the subject.

Some Current Rumors.

Wall Street is filled to overflowing with rumors of impending bond issues, but no very important new capital developments were announced this week. The stock market was not so much disturbed as was to be expected during the interval given over largely to the city sale. Among the various rumors, which somewhat assisted the market toward the close, was one dealing with the listing of Union Pacific stock on the Paris bourse, which was promptly pronounced a canard, and another bearing on the possible sale of \$40,000,000 of Southern Pacific bonds. And this, at least in the form the rumor took, has very little foundation in fact. Paris has not been able to get rid of the shock occasioned by the Government's plan enjoining the freight rate advances, which followed immediately after that city had closed negotiations with the Chicago, Milwaukee and St. Paul deal.

A Reorganization As the Very Limit

(By Henry Clews.)

Uncertainty about the Supreme Court and railroad decisions at Washington still act as a damper in business circles. It is to be hoped that this element of doubt will be removed as soon as practicable. The issues involved are of supreme importance, for they affect not only the machinery of our great industrial corporations, but also the adjustment of some of the most vital political and economic issues of the day.

Nothing worse than reorganization can be expected concerning the industrials. The Supreme Court cannot and will not destroy actual property, and should the decisions prove entirely adverse, it is safe to say the country will quickly recover from the shock and go on as placidly as before.

The speculative situation shows decided improvement. While there are no very brilliant elements in the situation, still all known drawbacks have been well discounted, and the general outlook is not without its encouraging features. In fact, it is safe to undertake confidence not at all discernible a month ago.

Local markets show a decided change of front, and are much more content.

It is quite within the power of present market leaders to force still higher prices, and toward the close this was evidently their intention.

Curb Prices for the Week

| | High. | Low. | Last. | Net |
|-----------------------|--------|--------|--------|--------|
| Amer. Tobacco..... | 42 1/2 | 42 | 42 1/4 | 34 |
| British Copper..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| Interior, Rubber..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| Groux Cons..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| Greene-Cannana..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| Inspiration..... | 8 1/2 | 8 1/8 | 8 1/2 | 7 1/2 |
| Interior, Rubber..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| Kerr Lake..... | 7 1/2 | 7 1/8 | 7 1/2 | 6 1/2 |
| Miami Copper..... | 19 1/2 | 19 1/8 | 19 1/2 | 18 1/2 |
| La Rose Cons..... | 4 1/2 | 4 1/8 | 4 1/2 | 4 1/2 |
| Interior, Rubber..... | 6 1/2 | 6 1/8 | 6 1/2 | 5 1/2 |
| West. Pacific..... | 33 1/2 | 33 1/8 | 33 1/2 | 32 1/2 |
| Standard Oil..... | 62 1/2 | 62 1/8 | 62 1/2 | 61 1/2 |
| Yukon Gold..... | 3 1/2 | 3 1/8 | 3 1/2 | 3 1/2 |
| Nipissing, Mines..... | 10 1/2 | 10 1/8 | 10 1/2 | 10 1/2 |

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| SURPLUS AND UNDIVIDED PROFITS. | |
|--------------------------------|-----------------|
| Trust Companies..... | \$4,556,879 |
| Savings Banks..... | 585,304 |
| National Banks..... | 5,228,562 |
| Total | 10,371,306 |
| Total November 10, 1910..... | 10,136,012 |
| Increase | 183,334 |
| LOANS AND DISCOUNTS. | |
| National Banks..... | \$22,457,029.08 |
| Trust Companies..... | 23,248,060.59 |
| Savings Banks..... | 8,919,877.15 |
| Total | \$54,720,966.82 |

Savings Banks Make the Largest Gain—Other Interesting Statistics—Need of Local Bankers Getting Together to Head Off Frauds.

By I. A. FLEMING.

There were practically but sixty days between the call of the Comptroller for the Currency for a statement of the conditions of banks in Washington on November 30, 1910, and the call on January 7, 1911. But the calls came just at the right time to demonstrate some interesting facts, probably the most promising in the interest of the local security market being the direct evidence that but a comparatively small part of the enormous dividend and interest payments made January 1, 1911, have found their way into reinvestments.

This is shown by the fact that the investments in the banks of the District have increased \$24,111 between the dates named.

In round figures the distribution made to investors January 1, was about \$1,000,000, but this did not include the interest payment on deposits in savings banks, or other bank deposits.

Strange to say, practically the entire increase was in the deposits of the savings institutions of the city.

The investors have the cumulative habit, even when permitting their money to rest for a time.

Interest save as to further emphasize the wisdom of the interchange of credit information between Washington bankers, with a view of preventing any such thing as being worked here, and not only note swapping, but the over-extension of credits in general, and check kiting.

If the start is made, and the matter is really handled it will lead to further results to the credit of the annual profits of the banking business.

The effort is to be made, George W. Williams, president of the Metropolitan Bank, is at the head of a committee to report to the Clearing House Association, and a meeting will probably be held this week. J. Castle Ridgeway, who suggested the movement to the Clearing House, has made an exhaustive study of the matter, and is prepared to explain in detail the methods followed by the bankers of Atlanta, Ga., in credit information.

The failure of the movement to reach a satisfactory conclusion would be regretted. Ultimate success would have to turn on an honest confidence man to handle credit and give an aggregate in confidence when called upon for information.

It is to find him—but he may be found in Washington, without much trouble.

The total individual deposits January 7, 1911, were \$38,874,559, as compared with \$38,649,188 on November 10, 1910. The banks held a sufficient amount of Government bonds to bring the grand total to over \$50,000,000.

The surplus and undivided profits of the local fiscal institutions have also been increased, the statement indicating \$10,381,338 on the date of the last call, and \$10,198,012 by the statement of November 10, 1910, a net gain in the period of one year of \$183,326.

The gold and gold certificate holdings of the banks of Washington total \$2,674,412. Naturally the national banks have increased their holdings of gold, the holdings of gold coin being \$66,819, and of gold certificates \$1,926,590.

As a result of the depression, the value of the homes and properties in actual use by the banks of Washington. Most of the institutions own their homes, others still occupy rented quarters.

The total value of the real estate and buildings owned and occupied by banks in the District of Columbia is \$1,200,000.

Of this amount, the four trust companies owning their own establishments hold \$124,582; the national banks own \$1,075,418, and the savings banks \$23,500. Of this amount, the savings banks own a modest and a little less intrusive location of the savings banks, show an investment in their credit of \$87,132.

During the past week the local securities market has developed considerable activity, in the aggregate. The abundance of money and lower rates have had their effect. Bonds have been favored, especially the issues yielding well at moderate prices. Gas 5's and Potomac Electric Consolidated 5's have been the favorites, the latter the former coming down to a level where the bankers are taking them on.

Washington Railway and Electric 4's have also been in better demand and have advanced 1/2 point. This has been brought about largely by the advance in the price of the bonds of Potomac 5's at 103 to 103 1/2 are favorites.

In the stock list Railway preferreds are the favorites, and the local stock friends by its strength, and good things are expected of the annual report to be made public this week.

On the closing day, the market went back all week around 77 1/2 to 77 3/4, only to come strong on the closing day with an advance to 78 1/2, and more trading than the aggregate of the preceding week.

It is expected that the report of the earnings of this corporation may tell an important part of the story.

It is expected that the report of the ability of the corporation to continue the present dividend rate.

With about \$600,000 waiting reinvestment, the local securities market is better trade during the coming month.

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| | | |
|--------------------------|-------------|-----------------------------------|
| Capital and Surplus..... | \$1,900,000 | Capital and Surplus, \$2,300,000. |
| Deposits Over..... | \$5,000,000 | |

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